



Senator

Liz Figueroa

Tenth Senatorial District

For Immediate Release
April 28, 2003

Contact: Liz Fenton 916-445-6671
Anna Blackshaw 916-322-8616

SENATOR LIZ FIGUEROA TO CHAIR SELECT COMMITTEE ON INTERNATIONAL TRADE

***Senate Committee investigates loss of state sovereignty
under international trade agreements***

SACRAMENTO – Senator Liz Figueroa (D-Fremont) was appointed last week to chair the Senate Select Committee on International Trade Policy and State Legislation, a special committee of the California Senate created to explore the appropriate relationship between states and the federal government when international trade policy intersects with traditional state roles in environmental protection, human rights, consumer safety and traditional objectives of democratic governance.

As the reach of international trade rules expands, state governments, particularly state legislatures, could be seriously compromised in their ability to legislate in these areas and could be required to alter their laws or face trade sanctions. Currently, the World Trade Organization (WTO) is involved in negotiations to open up U.S. private and public service sectors to competition by foreign companies. According to documents leaked from these negotiations, the WTO's General Agreement on Trade in Services (GATS), includes a broad scope of issues, such as the privatization and deregulation of public water and energy utilities, health care and postal services, and the deregulation of private sector service industries such as insurance, banking, mutual funds and insurance.

"Strong legislative oversight is essential for balancing democracy and trade," said Senator Liz Figueroa. "These negotiations are happening behind closed doors with no input or consultation from state and local legislators, despite their intrusion into areas that are our responsibility. This interferes with the states ability to legislate in the public interest and demonstrates a disruption of the balance of power between the federal government and the states. This committee will work to ensure that the voice of state and local legislators are heard in these global trade negotiations."

The Senate Select Committee on International Trade Policy and State Legislation was first established in the Senate in 2000 by now retired Senator Tom Hayden. Subsequent to his retirement, the committee was chaired by Senator Sheila Kuehl. Senator Kuehl will serve on the committee under Figueroa's leadership and continue to remain involved in these issues.

Recently, Senators Figueroa and Kuehl spearheaded a letter signed by 29 members of the California Legislature to United States Trade Representative Robert Zoellick expressing their concern about the GATS negotiations. In their letter they stated, "while we acknowledge the economic and social importance of trade for the economy of California, we believe that trade and investment agreements that undermine the ability of governments to enact domestic safeguards, standards, preferences and regulations, jeopardize the public welfare and pose grave consequences for democratic governance throughout the world."

Other pending trade negotiations of concern to California Legislators that will be examined by the Select Committee include the Free Trade Area of the America's (FTAA), an expansion of the North American Free Trade Agreement (NAFTA) to 31 nations of the Western Hemisphere, and the Central American Free Trade Agreement (CAFTA), an agreement between the United States and five Central American nations. In addition to containing powerful services conditions similar to those found in the GATS, both of these trade agreements would extend NAFTA's powerful investment provisions to all nations of the Western Hemisphere. Known as NAFTA Chapter 11, this provision grants extraordinary power to private foreign corporations to sue governments in private closed door dispute resolution tribunals. It was under this investment provision of NAFTA that allowed the Canadian company Methanex to challenge California's ban on MTBE, claiming that the state phase-out represented a \$1 billion loss of expected profits. Last summer, the California legislature passed SJR 40, expressing their opposition to investment agreements such as Chapter 11 from being included in future trade agreements.

Capitol Office:
State Capitol, Room 2057
Sacramento, CA 95814-4906
(916) 445-6671
(916) 327-2433 FAX

District Office:
43271 Mission Blvd.
Fremont, CA 94539
(510) 413-5960 or (408) 286-0329
(510) 413-5965 FAX

E-Mail:
senator.figueroa@sen.ca.gov

Website:
www.sen.ca.gov/figueroa